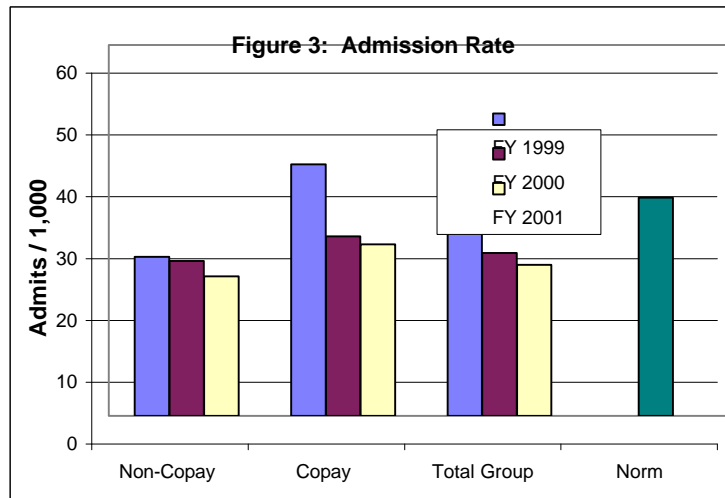


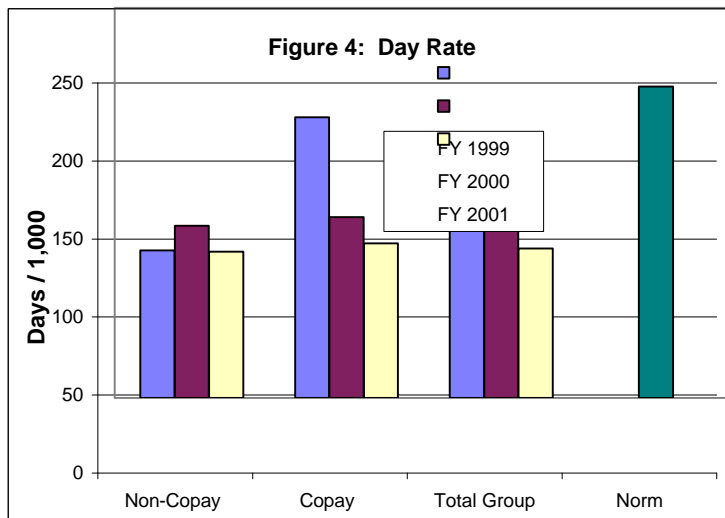
## NC Health Choice Inpatient Utilization October 1998 Through September 2001



The admission rate for the total group fell 7 percent to 24.4 admissions per 1,000 members (Table 3). The rate was 31 percent below the norm.

The admission rate for the Copay segment fell 5 percent, and that of the Non-Copay segment decreased 10 percent to 22.6. Both were well below the norm.

Respiratory diseases accounted for more than one-fifth of all admissions (Table 4). The admission rate for neoplasms returned to a level comparable to the 1999 level, following a spike last year (data not shown). The admission rate for endocrine disorders was much higher than the norm, while admission rates for pregnancies and perinatal conditions have been far below the norm each year.



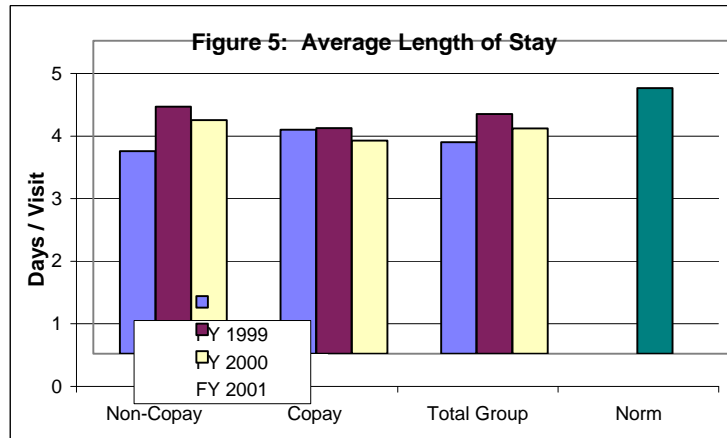
The day rate for the total group decreased 15 percent to 95.8 hospital days per 1,000 members. The rate was 52 percent below the norm.

Each segment experienced a 15 percent decrease in the day rate, although the copay segment's rate was slightly higher. Both were well below the norm.

Since this is preliminary data, it is to be expected that 2001 utilization rates will rise as all claims are filed.

## NC Health Choice Inpatient Utilization October 1998 Through September 2001

Dec. 17, 2001



The average length of stay for the total group decreased 6 percent to 3.6 hospital days per visit. The rate was 15 percent below the norm.

The average length of stay decreased 5 percent to 3.7 days for the Non-Copay segment and decreased 6 percent to 3.4 days for the Copay segment. Although the average length of stay for the Non-Copay segment was higher than for the Copay segment, they were both below the norm.

As in each previous fiscal year, UNC Hospitals had the most admissions in FY 2001 (Table 5). In addition, UNC Hospitals had the third-highest average allowed charge per admission and the fourth-highest average length of stay. Pitt County Memorial Hospital had the highest average length of stay, and Duke University Hospital had the highest average charge.

Mecklenburg and Guilford Counties had the highest number of admissions (Table 6). Mecklenburg County also had the greatest membership. Among counties with more than 10 admissions, Craven County had the greatest average length of stay (16.6 days) as well as the highest average allowed charge (\$27,560 per admission).

The inpatient utilization rates for mental disorders decreased both for acute care hospitals (Table 7) and for psychiatric facilities (Table 8) in each of the major segments. Overall utilization was just under the norm in the acute care setting, but exceeded the norm in the specialty psychiatric setting.